

**EXHIBIT 5**  
**PROJECT PLAN OF FINANCE**

[Attached]

## B. FINANCING PLAN

### Overview of Financing Plan

In formulating the Financing Plan, the Consortium has exhaustively assessed the financial solutions that are available in the current market. The Consortium proposes a plan that includes a combination of funding sources which optimize the cost of capital of the Project and thereby maximize the value offered to the Texas Department of Transportation ("TxDOT") under the Consortium's proposal. As detailed hereafter, the proposal includes the use of available long-term instruments such as a TIFIA loan from the United States Department of Transportation and Private Activity Bonds that provide a long-term, balanced financing solution in conjunction with senior bank facilities. The Financing Plan also includes a significant equity contribution aimed at limiting the usage of public funds.

Table B.1 below sets out the sources and uses of funds at the end of the construction period under the Financing Plan:

**Table B.1: Sources and Uses of Funds under the Financing Plan**

	Sources of Funds (\$ million)		Uses of Funds (\$ million)
Toll Revenue	35	Design-build agreement ("DB Agreement") price	2,110
Senior Term Facility	395	Intelligent Transportation System ("ITS") and Toll Collection System ("TCS") budget	56
Private Activity Bonds ("PABs")	395	Operating costs ("Operating Costs") and maintenance capital expenditure	109
TIFIA Loan	790	Transaction costs	35
Equity Contribution	683	Interest / (Interest income)	239
Public Funds	445	Debt fees	40
		Cash reserves funding	125
		TIFIA subsidy cost	29
Total	2,743	Total	2,743

The senior Term Facility and PABs each comprise 50% of the proposed senior debt financing package. In this way, the Financing Plan takes advantage of the lending capacity that is expected to exist for the Project in each of the commercial bank and tax-exempt bond markets. Spreading the funding requirement between these financing markets will limit the demand on each market, which is expected to result in optimal pricing of the instruments.

The senior bank facilities include a maintenance capex facility. By debt financing maintenance capital expenditures, the Financing Plan capitalizes upon the increasing debt capacity of the Project over time.

The TIFIA Loan represents the most affordable source of capital available to the Project, both because of its low interest rate and the flexibility it provides to defer the payment of all interest during the first five years of operations. The Financing Plan therefore maximizes the amount of the TIFIA Loan within the limits of the conditional commitment provided by the USDOT ("TIFIA Conditional Term Sheet").

In addition to this, if TxDOT decides to proceed with the construction of the IH 35E Capacity Improvement Section, the Financing Plan will be the same except for the inclusion of an IH 35E Capacity Improvement Bridge Facility raised to provide temporary funding of the construction and funding costs associated with the IH 35E Capacity Improvement Section and fully amortized when the additional requested public funds are received.

Table B.2 below sets out the sources and uses of funds at the end of the construction period under the NTP3 Financing Plan:

**Table B.2: Sources and Uses of Funds under the NTP3 Financing Plan**

(\$ in millions)	Sources of Funds		Uses of Funds
Toll Revenue	35	Design-build agreement ("DB Agreement") price	2,189
Senior Term Facility	395	Intelligent Transportation System ("ITS") and Toll Collection System ("TCS") budget	56
Private Activity Bonds ("PABs")	395	Operating costs ("Operating Costs") and maintenance capital expenditure	109
TIFIA Loan	790	Transaction costs	35
Equity Contribution	681	Interest / (Interest income)	251
Public Funds	635	Debt fees	43
		Cash reserves funding	125
		TIFIA subsidy cost	29
		Cash flow during construction	95
Total	2,932	Total	2,932

The financial structure's significant resilience to unexpected cash flow impacting events is supported by:

- Significant reserves providing liquidity to the structure;
- The negotiated terms of the TIFIA Loan, including the ability to defer 75% to 100% of scheduled TIFIA Loan debt service for up to 25 years of operations, in the event of cash flow shortfalls.

The robustness of the Consortium's Financing Plan is further demonstrated by:

- the significant equity commitment which has been provided by the Sponsors;
- the extensive discussions that the Consortium has undertaken with the USDOT over the course of several months, resulting in fully negotiated, detailed terms for the TIFIA Loan;
- the indicative investment grade rating which has been assigned to the Consortium's financing plan by Moody's Investor Services ("Moody's");
- the opinion letter from the Consortium's financial advisor; and
- the support letters from potential financiers which have been provided to the Consortium for the purposes of this proposal.

The Financing Plan recognizes current market conditions and takes advantage of the flexibility to defer financial close for up to 18 months after commercial close. In this way, the Consortium has been able to incorporate in its proposal the more advantageous senior debt terms that it believes will be available in the period between selection as preferred bidder and financial close. As such, the Consortium has decided to base its proposal upon an uncommitted senior debt financing.

While senior bank facilities, PABs, a TIFIA Loan, equity, and public funds will comprise the Consortium's primary Financing Plan, the Consortium will (as permitted in Exhibit C, Section 5.8 of the Instructions to Proposers ("ITP")) evaluate additional financing sources to the extent they improve the overall economics of the project. These sources may include (but are not limited to): taxable bonds, mezzanine debt, bank bonds, loan notes and shareholder loans.

This flexibility has allowed the Consortium to maximize the value it offers to TxDOT under this Proposal.

## B.1 Identity of Financial Institution

Below are the names and addresses of the financial institutions that will issue the Payment and Performance Letter of Credit required under the CDA. Rating information is set out in Table B.3 below:

Each of these banks has a credit rating of "A" or better.

**Table B.3: Letter of Credit Financial Institutions Ratings Information**

Financial Institution	Rating	Address	Contract / Phone
Banco Español de Crédito	AA	Avda. Gran Vía de Hortaleza 3 28043 Madrid, Spain	Alfonsó Agulló Tel.: 34.91.410.46.76
Banco Bilbao Vizcaya	AA-	Alcalá, 16 28014 Madrid, Spain	Beatriz Anoro Tel.: 34.91.537.65.78
Caja de Madrid	AA-	Pº Castellana, 189 28046 Madrid, Spain	Andrés Arahetes Tel.: 34.91.423.99.32
Banco Sabadell	A+	Príncipe de Vergara, 125 28002 Madrid, Spain	Angeles Fósar Tel.: 34.91.321.72.02

The letter of credit will be issued through a local bank with an office in Austin, Dallas, Houston or San Antonio at which such Payment and Performance Letter of Credit can be presented for payment.

A statement certified by the chief financial officers of the Sponsors that the Sponsors will be able to obtain the required letter of credit is provided in Volume 1, Attachments to B, C, D, E, & F, Attachments 1 of this Financial Proposal.

## B.2 Range of Financing Sources

The Consortium proposes a Financing Plan that includes the following sources of debt, equity and public funds financing as found in Table B.4:

**Table B.4: Summary of Funding Sources for the Project**

Funding Source	Amount (USD million)	Description
Equity Contribution	683	Subscription for share capital by the Sponsors
Senior bank facilities	410	Senior bank facilities include:

Funding Source	Amount (USD million)	Description
		<ul style="list-style-type: none"> <li>• <b>\$395 million Term Facility</b> to fund all project costs during the construction period</li> <li>• <b>\$15 million Maintenance Capex Facility</b> to meet the maintenance capital expenditure requirements of the Project for the first ten years of the concession</li> </ul>
PABs	395	An issuance of tax exempt bonds to fund qualified highway expenditures
TIFIA Loan	790	Direct loan from the USDOT under the TIFIA Act to fund eligible project costs
Public Funds	445	Public funds amount to be paid to Developer by TxDOT under Part E of Exhibit 7 to the CDA

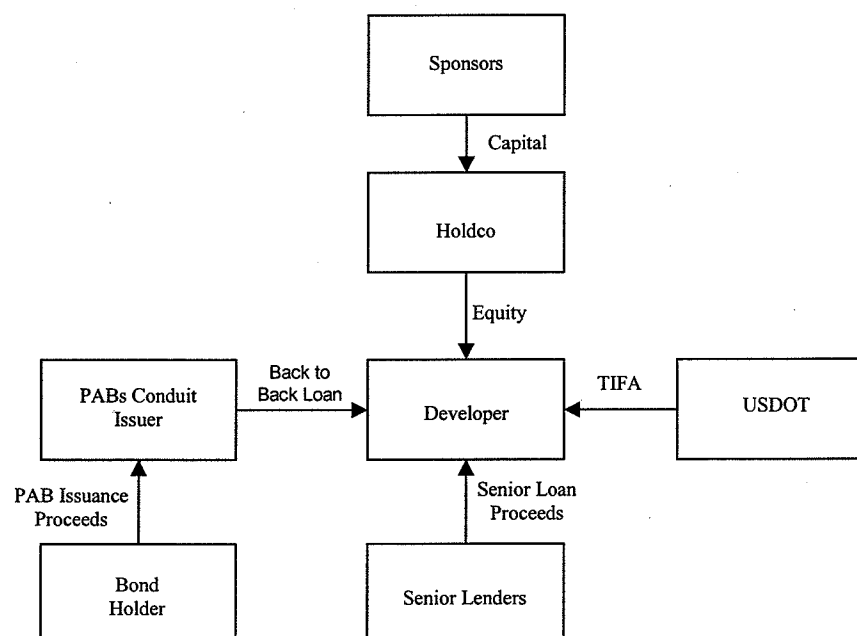
In addition to the funding sources described above, if TxDOT elects to proceed with the construction of the IH 35E Capacity Improvement Section, the Financing Plan will include the additional sources of funding described in Table B.5 below:

**Table B.5: Summary of Additional Funding Sources for IH 35E Capacity Improvement Section**

Funding Source	Amount (USD million)	Description
IH 35E Capacity Improvement Bridge Facility	80 (excluding capitalized interest)	A bridge debt facility arranged to provide temporary funding of the construction and funding costs associated with the IH 35E Capacity Improvement Section until Capacity Improvement Funds are available
Capacity Improvement Funds Request	190	Public funds amount to be paid to Developer by TxDOT under Part E of Exhibit 7 to the CDA in respect of the IH 35E Capacity Improvement Section

Figure B.1 below is a simplified structure diagram representing the Financing Plan.

**Figure B.1: Simplified Financing Plan Structure Diagram**



## **B.2.2 Identity of the Investors**

The two equity investors for the Project are Cintra and Meridiam. Further detail on the Sponsors is provided in Section B.4.

## **B.2.3 Identity of [Mandated] Lead Arrangers [Managers, Underwriting Banks] and/or Quasi-Equity Providers**

The strategy adopted with regard to financing this project has focused on maximizing competitive tension across all levels of debt structuring and procurement. For that reason, the Consortium has engaged in extensive discussions with a number of active underwriters of debt financing for toll roads assets in the US market, and has provided the following due diligence materials to these potential financiers:

- A financial model;
- Traffic and revenue report prepared by Arup North America Ltd ("Arup");
- Review of the traffic and revenue forecast on behalf of lenders by Hatch Mott MacDonald ("Hatch Mott");
- Comprehensive Development Agreement ("CDA");
- Draft Design Build Agreement; and
- Draft TIFIA Conditional Term Sheet.

The Consortium has received support letters in relation to the Financing Plan (Volume 1, Attachments to B, C, D, E, & F, Attachment 2) from the following parties:

- National Australia Bank Limited ("NAB");
- RBC Capital Markets ("RBC");
- Barclays Capital ("Barclays"); and
- Calyon Crédit Agricole CIB ("Calyon").

We note that in addition to being experienced underwriters of bank debt, RBC and Barclays are active participants in the tax exempt bond underwriting market.

The conditional commitment for the TIFIA Loan is provided by the USDOT, comprising a letter and a term sheet ("TIFIA Conditional Term Sheet"). This can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 5 of this Proposal.

## **B.2.4 Proposed Steps and Timeframes for Reaching Financial Close**

Figure B.2 below provides a summary of the steps to financial close. Please refer to Section B.6 for a more detailed outline of steps and timeframes to financial close.

**Figure B.2: Summary of Steps to Financial Close**

Deliverable	2009			Months to Financial Close (2009-2010)								
	Feb	Mar	Apr	9	8	7	6	5	4	3	2	1
DB Agreement Signed												
Due Diligence Process												
Retention of Counsel												
Underwriting/Issuance Process												
Selection of Underwriters and FAs												
Rating Agency Review and Rating												
Finalize Fed Agreements												
TxDOT Financial Commitment												
Bond Pricing / Lender Term Sheets												
Credit Committee Approvals												
Securities Marketing & Issuance:												
Financial Close												

The above described schedule is consistent with the Financing Plan assumption of achieving financial close 18 months after signing the CDA. However, the Consortium will try to accelerate execution as much as possible depending on financial market conditions.

#### B.2.5 IH 35E Capacity Improvement Section

The Financing Plan assumes that the costs of the IH 35E Capacity Improvement Section will be financed via a public funds request ("Capacity Improvement Funds"). According to Exhibit 7, Part E of the CDA, the Capacity Improvement Funds will not be available until six months after service commencement of the project segment pertaining to the IH 35E Capacity Improvement section. Therefore it is assumed that a bridge debt facility is arranged to provide temporary funding of the construction costs. It is assumed that:

- Financial close on the bridge debt facility occurs on October 31, 2011;
- Construction of the IH 35E Capacity Improvement Section commences on November 18, 2011;
- Construction of the IH 35E Capacity Improvement Section is completed on April 18, 2015; and
- The bridge debt facility is repaid in full on February 29, 2016.

It is assumed that interest and fees on the bridge debt facility will capitalize during the construction period. Fees and pricing assumed in relation to the bridge debt financing facility included in the Financing Plan are as follows in Table B.6.

**Table B.6: Summary Bridge Facility Terms**

Key Details	Bridge Facility
Upfront Fee	150bps
Commitment Fee	40% of margin

<b>Base Rate</b>	350 bps
<b>Drawn Margin</b>	150 bps
<b>Ticking Fee</b>	40% of margin for 3 months prior to financial close

## **B.3 Details for Lenders and Lender Support Letters for Uncommitted Financing**

### **B.3.1 Senior Bank Facilities**

The Financing Plan includes two senior bank facilities: a term facility with an available balance of \$395 million and a maintenance capex facility with an available balance of \$15 million. The terms presented reflect extensive discussions with active underwriters of debt financing for toll roads assets in the US market.

#### **Key details of Facilities**

The key details of the senior bank facilities included in the Financing Plan are as follows in Table B.7:

**Table B.7: Key Details of Senior Bank Facilities**

<b>Key Details</b>	<b>Term Facility</b>	<b>Maintenance Capex Facility</b>
<b>Type</b>	Term facility	Delayed draw facility
<b>Lender</b>	To be determined	To be determined
<b>Purpose</b>	To fund all project costs including all transaction costs, bid costs and development costs incurred by the Developer or any of the Sponsors and all fees and expenses payable on financial close	To fund ongoing capital expenditures related to the Project. Between financial close and construction end, draws will be permitted to fund expenditures reimbursable by Public Funds which, due to timing restrictions, have not yet been made available to the Developer
<b>Final maturity date</b>	10 years after financial close	10 years after financial close
<b>Currency</b>	USD	USD
<b>Available balance</b>	\$395 million	\$15 million
<b>Balance at end construction</b>	\$395 million	\$0 million
<b>Security required</b>	First priority lien over Project collateral	First priority lien over Project collateral
<b>Ratings requirements</b>	None or one investment grade rating from a nationally recognized credit rating agency	None or one investment grade rating from a nationally recognized credit rating agency
<b>Monoline insurer</b>	N/A	N/A
<b>Indicative letter of support provided by:</b>	Please refer to Section B.2.3	Please refer to Section B.2.3



## Interest rates and fees

Details of the interest rate and fees assumed to be payable in relation to the senior bank facilities included in the Financing Plan reflect discussions with potential financiers and are as follows in Table B.8:

**Table B.8: Interest Rates and Fees Assumed on Senior Bank Facilities**

Interest Rates and Fees	Term Facility	Maintenance Capex Facility
<b>Ticking Fee</b>	40% of margin for 3 months prior to financial close	40% of margin for 3 months prior to financial close
<b>Upfront Fee</b>	300 bps	300 bps
<b>Commitment Fee</b>	40% of the credit margin	40% of the credit margin
<b>Base Rate</b>	3 month USD LIBOR	3 month USD LIBOR
<b>Drawn Margin</b>	Years 1-5: 325 bps Years 6-7: 350 bps Years 8-9: 375 bps Year 10: 400 bps	Years 1-5: 325 bps Years 6-7: 350 bps Years 8-9: 375 bps Year 10: 400 bps
<b>Default Rate</b>	Applicable interest rate plus 200 bps per annum	Applicable interest rate plus 200 bps per annum
<b>Swap Margin</b>	50 bps	50 bps
<b>Reference interest rate for benchmarking</b>	USD LIBOR based swap rate tailored for the drawdown and repayment schedule of the facility, with a swap tenor of 30 years from financial close	USD LIBOR based swap rate tailored for the drawdown and repayment schedule of the facility, with a swap tenor of 30 years from financial close
<b>Payment Periodicity</b>	Quarterly on an Act/360 basis	Quarterly on an Act/360 basis
<b>Minimum hedging requirements</b>	From financial close up to and including the fifth anniversary of financial close: 98% of the outstanding senior loan balance  From the day following the fifth anniversary of financial close up to and including the date that is 10 years from financial close: 85% of the outstanding loan balance	From financial close up to and including the fifth anniversary of financial close: 98% of the outstanding senior loan balance  From the day following the fifth anniversary of financial close up to and including the date that is 10 years from financial close: 85% of the outstanding loan balance
<b>Assumed Hedging Profile</b>	100% of the outstanding balance of the Term Facility is assumed to be hedged for 30 years from financial close via a LIBOR swap tailored to the facility's drawdown profile and assuming no amortization of the facility	100% of the outstanding balance of the Maintenance Capex Facility is assumed to be hedged for 30 years from financial close via a LIBOR swap tailored to the facility's drawdown profile and assuming no amortization of the facility

## Drawdown, debt service and repayment

Details of the drawdown, debt service and repayment terms of the senior bank facilities included in the Financing Plan are as follows in Table B.9:

**Table B.9: Drawdown, Debt Service and Repayment Turns on Senior Bank Facilities**

Drawdown, Debt Service and Repayment Terms	Term Facility	Maintenance Capex Facility
Availability period	From financial close until the first anniversary of substantial completion	Available to be drawn on a delayed draw basis from financial close until the 10th anniversary of financial close
Interest During Construction	Paid from committed funds available to the Developer	Paid from committed funds available to the Developer
Capital repayment moratorium	None	None
Repayment period	Bullet at maturity	Bullet at maturity
Average life	10 years	10 years

## Drawdown Schedule and Repayment Schedule

### Drawdown Schedule

Figure B.3 below illustrates the outstanding balance of the Term Facility under the Financing Plan. The Term Facility is drawn on a pro rata basis with the TIFIA Loan and the Equity Contribution after the PABs proceeds have been fully expended.

**Figure B.3: Accumulated Debt Drawdowns during Construction: Term Facility**

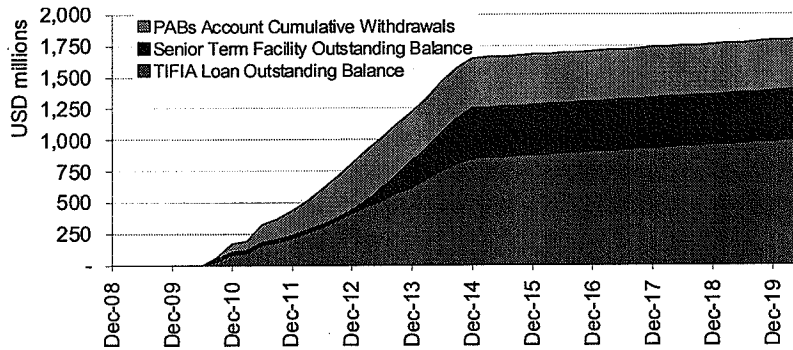
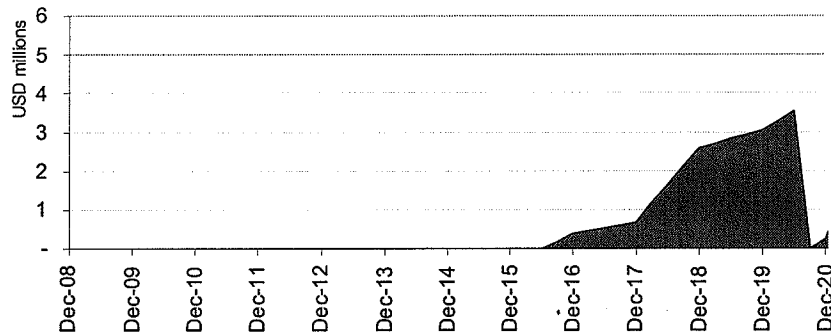


Figure B.4 below illustrates the outstanding balance of the Maintenance Capex Facility under the Financing Plan. Towards the end of the construction period (when other sources of financing have been exhausted), the Maintenance Capex Facility is used to bridge finance construction expenditures (of \$1.8) million which are reimbursable by Public Funds. This amount is repaid 1 month after draw down, when Public Funds become available under the terms of the CDA.

**Figure B.4: Accumulated Debt Drawdowns during Construction: Maintenance Capex Facility**



## Term and Conditions

### Conditions Precedent to Financial Close

Financial close and the first drawdown of any senior bank facility is expected to be subject to satisfaction or waiver of customary conditions precedent including, but not limited to, those found in the following Table B.10:

**Table B.10: Conditions Precedent to Financial Close for Senior Bank Facilities**

#### Conditions precedent to financial close

- Financing documents required to be in place on financial close shall have been duly authorized, executed, and delivered and will be in full force and effect;
- The Design and Build Contract, the Tolling Services Agreement and the CDA shall have been executed and delivered, and shall be in full force and effect;
- Final versions of the Traffic Report shall have been delivered;
- Final version of the Construction Budget shall have been delivered and the project costs shall have been certified as reasonable by the technical advisor;
- An updated Base Case Financial Model shall have been delivered together with an updated model audit report;
- The updated Base Case Financial Model shall satisfy a minimum LLCR ratio requirement of 2.0x and a minimum DSCR ratio requirement of 1.3x;
- A *pro forma* balance sheet of the Borrower as of the Financial Close and copies of all Governmental Approvals required to be in effect as of the Financial Close for the development of the Project shall have been delivered;
- Evidence of the due authorization and authority of the Borrower and Sponsors to execute each of the financing documents to which they are a party shall have been delivered;
- The Sponsors shall have made or provided irrevocable commitments to make capital contributions to the Developer in an agreed amount;
- All required legal opinions shall have been delivered;
- All filings and recordings necessary to perfect the security interests in the collateral shall have been completed;
- Insurance as required under the CDA and consistent with the recommendations in the Insurance Advisor's report shall be in full force and effect;
- Interest rate hedges as required by Lenders shall have been implemented;
- No government authority shall have taken any action prohibiting the transaction contemplated by the CDA;
- The Borrower shall have paid all fees and expenses of the Lenders and their agents;
- All representations and warranties made by the Borrower in any financing document shall be true and correct in all material respects; and
- No default or event of default shall have occurred and be continuing or shall occur as a result of such borrowing.

### Conditions Precedent to Drawdown

Ongoing drawdowns of the senior bank facilities are expected to be subject to satisfaction or waiver of customary conditions precedent including, but not limited to, those found in the following Table B.11:

**Table B.11: Conditions Precedent to Drawdown for Senior Bank Facilities**

Conditions precedent to drawdown	
▪	Financial close shall have occurred;
▪	A borrowing request setting forth the amount of senior loans requested and certifying the project costs towards which the proceeds of the loan will be applied shall have been delivered;
▪	No event of default shall have occurred and be continuing or shall occur as a result of the borrowing (unless such draw is to be used to cure such event of default); and
▪	All representations and warranties made by the Borrower in any financing document shall be true and correct in all material respects (other than those made as at a specified date).

The additional conditions precedent expected to be applicable to drawdowns to fund capital expenditure during the construction period are found in the following Table B.12:

**Table B.12: Conditions Precedent to Drawdowns to Fund Capital Expenditure during the Construction Period on Senior Bank Facilities**

Conditions precedent to drawdowns to fund capital expenditure during the construction period	
▪	Delivery of a certificate identifying the work towards which the proceeds of the loans will be applied, confirming that there are no cost overruns in respect of such work and confirming that available funds are sufficient to complete construction of the relevant work in accordance with the CDA;
▪	Delivery of a certificate of the Borrower confirming that all required insurances to carry out the work to be funded thereby are in place and premiums paid as and when due;
▪	Delivery of a certificate of the technical advisor confirming that the relevant work is either required by the CDA or reasonable in accordance with prudent industry practices and permitted by the CDA, and that available funds are sufficient to complete construction of the relevant work in accordance with the CDA; and
▪	Delivery of a written description of the scope, schedule and budget of the work to be funded thereby.

The additional conditions precedents expected to be applicable to drawdowns to fund capital expenditures during the operating period are found in the following Table B.13:

**Table B.13: Conditions Precedent to Drawdowns to Fund Capital Expenditure during the Operating Period on Senior Bank Facilities**

Conditions precedent to drawdowns to fund capital expenditure during the operating period	
▪	Delivery of copies of the construction, procurement and other contracts related to the work to be funded;
▪	A perfected security interest in the Borrower's rights, title and interest in and to such contracts and the assets and work constituting the work to be funded;
▪	Delivery of a copy of the Project lease between TxDOT and the Borrower and a legal opinion regarding the security interest created by the leasehold mortgage; and
▪	All governmental approvals required for the then-current stage of work shall have been obtained.

## Affirmative Covenants

It is expected that the Borrower will be required to comply with customary affirmative covenants under the terms of the senior bank facilities including but not limited to those found in the following Table B.14:

**Table B.14: Affirmative Covenants on Senior Bank Facilities**

Affirmative covenants	
▪	Delivery of audited annual and unaudited quarterly financial statements of the Borrower prepared in accordance with US GAAP together with a certification regarding defaults or events of defaults;

- Maintenance of separate books, records, accounts, financial statements and tax returns;
- Delivery of notices upon a developer default under the CDA, compensation event under the CDA, material payment or compensation under the CDA, material changes or termination of any material Project contract, default or events of default under the Credit Agreement, material loss, material litigation or dispute, material insurance claims, material sales of assets, material liens or claims against the Borrower's collateral, entry into material contracts, lack of governmental approvals, events that may lead to a material adverse effect and force majeure events;
- Delivery of monthly construction progress reports;
- Delivery of "know your customer" information;
- Delivery of quarterly traffic and operating reports;
- Delivery of annual budgets;
- Permission of reasonable examinations of books and records;
- Maintenance of required insurance;
- Maintenance of the Project in accordance with the CDA, applicable governmental rules and required insurance policies;
- Performance of obligations and enforcement of rights under material project contracts;
- Maintenance of and compliance with required governmental approvals and governmental rules;
- Maintenance of legal status;
- Timely filing and payment of taxes;
- Preservation and maintenance of security interests;
- Delivery of a restoration plan with respect to a material event of loss;
- Maintenance of independent auditors with recognized national standing;
- Use of proceeds of the senior loans exclusively for the purposes specified;
- Engagement and payment of independent consultants and advisors; and
- Establishment and maintenance of project accounts.

## Negative Covenants

It is expected that the Borrower will be required to comply with customary negative covenants under the teams of the senior bank facilities including but not limited to those found in the following Table B.15:

**Table B.15: Negative Covenants on Senior Bank Facilities**

### Negative covenants

- The Borrower will not enter into any fundamental changes in structure or organization or any transaction of merger or consolidation, or conduct sales or purchases of assets other than as permitted in the transaction documents;
- The Borrower shall not engage in any business other than activities that are related to the Project;
- The Borrower shall not assume any additional indebtedness, except for certain permitted debt;
- The Borrower shall not incur any additional liens except for certain permitted liens;
- The Borrower shall not make any investments other than certain permitted investments;
- The Borrower will not pay any dividend or distribution or payments in respect of permitted affiliated subordinated debt ("Restricted Payments") unless certain conditions (to be negotiated) have been satisfied;
- The Borrower will not assign any material project contract or materially amend or modify, or waive timely performance by any counterparty to any material project contract;
- The Borrower will not enter into any new material project contract except with respect to the operation, maintenance, construction or financing of the Project;
- The Borrower will not modify its constitutive documents;
- The Borrower will not maintain any bank accounts other than the project accounts;
- The Borrower will not elect to receive compensation amounts under the CDA in any form other

than monetary without consent;

- The Borrower will not engage in behavior that breaches any anti-terrorism laws or anti-money laundering regulations; and
- The Borrower will not file an election to be treated as an association taxable as a corporation.

## Default Provisions

It is expected that the senior bank facilities will provide for customary events of default (together with customary cures and cure periods), including but not limited to those found in the following Table B.16:

**Table B.16: Default Provisions on Senior Debt Facilities**

### Default provisions

- Failure to pay principal or interest on the senior loans or PABs or amounts due under the hedging agreements;
- Failure to pay fees or other amounts payable under the credit agreement;
- Any certification made by the Borrower in relation to a Restricted Payment proves to have been incorrect;
- Any representation or warranty made by the Borrower in any financing document proves to have been incorrect in any material respect when made;
- A "bankruptcy related event" (as defined in the TIFIA credit agreement) shall have occurred and be continuing;
- Failure to comply with any affirmative or negative covenant ;
- Abandonment of the Project;
- Entry of a non-appealable final judgment against the Borrower which is reasonably likely to result in a material adverse effect;
- Any security document ceases to be effective to grant a perfected first priority lien on the collateral;
- An event of loss or a condemnation or nationalization event occurs;
- Any necessary governmental approval is terminated or not obtained, maintained, or complied with;
- The CDA or any other material project contract ceases to be valid and binding and in full force and effect or is terminated prior to its expiration date or any other material provision thereof is declared null and void;
- The Borrower denies further liability or obligation under the CDA or any other material project contract;
- A developer default giving rise to TxDOT termination rights under the CDA has occurred;
- Failure to observe any material provision or breach of any material representation made under the CDA or any other material project contract that could result in a materially adverse effect;
- An ERISA event has occurred that could reasonably be expected to result in a material adverse effect; and
- Any financing document shall be revoked, repudiated or terminated by the Borrower.

## B.3.2 Private Activity Bonds

The Financing Plan includes a \$395 million issuance of PABs. The Consortium has secured a provisional allocation of up to \$2.65 billion of the \$15.0 billion national limitation on the aggregate amount of PABs available for qualified highway expenditures in accordance to Section 11143 of Title XI Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This allocation is subject to the following conditions:

- the Consortium must be selected as the concessionaire by TxDOT and the CDA must be executed;
- a final bond counsel tax and validity opinion must be issued at the time of the closing of the bond issue; and
- the bonds must be issued no later than April 27, 2010.

Provisional Bond Allocation Approval letters from USDOT can be found in Volume 1, Attachments to B, C, D, E, & F of this Proposal.

The Consortium's Financing Plan assumes that financial close will occur after April 27, 2010. This assumption maximizes the value provided to TxDOT by allowing the greatest period for recovery of the financial markets. The USDOT has indicated to the Consortium that while one year after the expected execution date of the concession agreement for a Project is the standard PABs allocation period, it does not anticipate any difficulties in extending this deadline.

The parameters of the PABs issuance are based on extensive discussions with potential underwriters prior to the proposal due date.

## Key details of Facility

The key details of the PABs included in the Financing Plan are as follows in Table B.17:

**Table B.17: Key Details on PABs**

Key Details	
Type	Senior secured long term fixed rate tax-exempt PABs subject to the Alternative Minimum Tax ("AMT")
PABs Conduit Issuer	The Texas Private Activity Bond Surface Transportation Corporation or other corporation or similar entity authorized under Texas Law to issue the PABs (the "PABs Issuer")
Structure	The proceeds of the issuance will be loaned to the Developer under a back-to-back loan agreement ("PABs Loan Agreement"). The Developer will issue a promissory note or similar instrument evidencing its repayment obligation ("Promissory Note")
Underwriter	To be determined
Purpose	To fund qualified highway expenditures
Final maturity date	30 years from issue date
Currency	USD
Issuance amount	\$395 million
Balance at end construction	\$395 million
Security	A pledge of the PABs Issuer of its interest under the PABs Loan Agreement and related Promissory Note; a pledge of certain indenture accounts; and a first priority lien over the Project collateral.
Ratings required	An investment grade rating from a nationally recognized credit rating agency
Monoline insurer	N/A
Indicative letter of support provided by:	Please refer to Section B.2.2

## Interest rates and fees

Details of the interest rate and fees assumed to be payable in relation to the PABs included in the Financing Plan are as follows in Table B.18:

**Table B.19: Interest Rates and Fees on PABs**

Interest Rates and Fees	
Underwriting Fee	100 bps
Bond Coupon / Yield	8.00% per annum
Reference interest rate for benchmarking	30 year AAA MMD Index
Proposed hedging arrangements	N/A – the PABs are a fixed rate obligation

### Drawdown, debt service and repayment

Details of the drawdown, debt service and repayment terms of the PABs included in the Financing Plan are as follows in Table B.20:

**Table B.20: Drawdown, debt service and repayment of PABs**

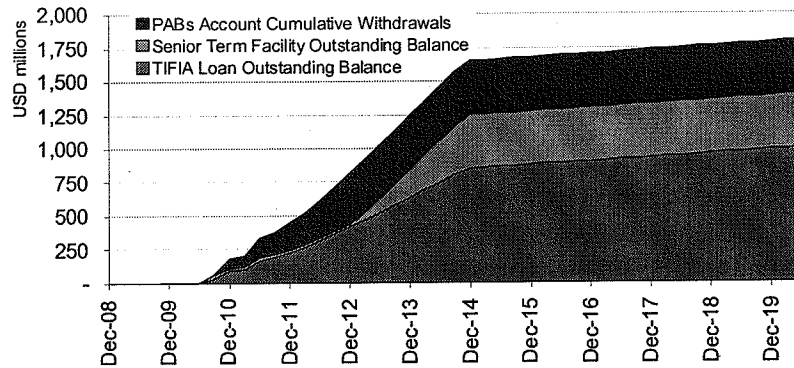
Drawdown, Debt Service and Repayment Terms	
Availability period	The PABs will be issued at financial close and the proceeds deposited into an account (the "PABs Account") held for the benefit of the PABs Indenture Trustee on behalf of the PABs Bondholders and used to fund qualified highway expenditure
Interest During Construction	Paid from committed funds available to the Developer
Payment periodicity	Semiannually in arrears on a 30/360 basis
Capital repayment moratorium	On any business day after 10 years from the date of issue, the PABs may be redeemed, at the option of the PAB Issuer upon written direction of the Borrower, in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of such PABs, plus the accrued interest. Any redemption prior to this time may be permitted upon payment of a make whole amount (except in certain extraordinary circumstances – see Extraordinary Redemption below), subject to market conditions and requirements.
Repayment period	The PABs will be fully amortizing in accordance with an amortization profile consistent with market and rating agency requirements
Average life	25.5 years

### Drawdown

Figure B.5 below illustrates the cumulative withdrawals from the PABs Account under the Financing Plan. The PABs proceeds will be spent pro rata with drawdowns on the TIFIA Loan and the Equity Contribution.



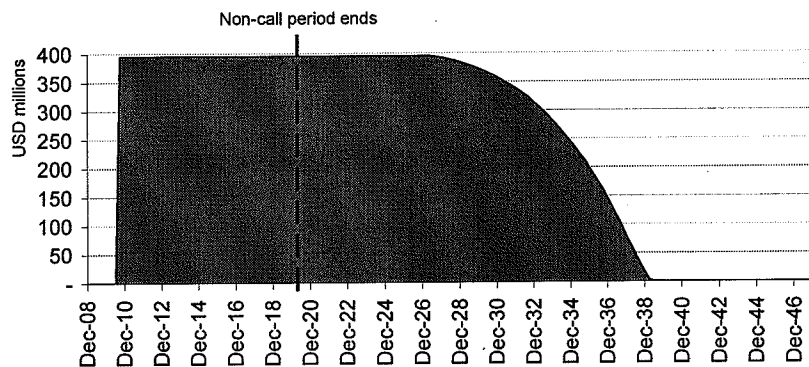
**Figure B.5: Accumulated Debt Drawdowns during Construction: PABs Account**



## Debt service and repayment

The PABs will be fully amortizing in accordance with an amortization profile consistent with market and rating agency requirements and expected to commence in year 17, as illustrated in Figure B.6 below.

**Figure B.6: PABs Amortization Profile**



## Extraordinary Redemption

It is expected that the PABs will be subject to mandatory redemption at a redemption price of 100% of the principal to be redeemed plus any accrued interest in limited circumstances which are expected to include:

- there is a determination that interest paid on the PABs is not tax exempt;
- the Project is substantially or completely damaged or destroyed and not repaired in accordance with the CDA or is taken for any public use;
- the CDA is terminated; or
- there are any excess bond proceeds after construction completion (mandatory redemption occurs on the amount equivalent to the excess amount).

## Conditions precedent, Covenants and Default Provisions

It is expected that the bondholders (as represented by the PABs underwriter in negotiations prior to financial close) will require the Developer to be subject to conditions precedent, covenants and default provisions customary for non-recourse project finance bonds and similar to those required under the senior bank facilities.

Conditions precedent to financial close particular to the PABs issuance are expected to include the following:

- The issuance of a final bond counsel opinion regarding the legality and validity of the PABs and the tax exempt status of the interest on the PABs;
- Delivery of an investment grade rating of the PABs by a nationally recognized credit rating agency; and
- Satisfaction or waiver of all conditions precedent to the Bond Purchase Agreement.

### **B.3.3 TIFIA Loan**

The Consortium has secured a conditional commitment from the USDOT to provide credit assistance to the Consortium for the Project pursuant to the TIFIA Act of 1998, Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21, Public Law 105-178), as amended by sections 1601-02 of the SAFETEA-LU, Public Law 109-59, codified as 23 U.S.C. §§601-09.

The TIFIA Conditional Term Sheet can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 5 of this Financial Proposal.

The conditional commitment is to provide a TIFIA Loan in an original principal amount not to exceed \$800 million. The Financing Plan includes a TIFIA Loan in the amount of \$790 million. This principal amount satisfies both the condition that the amount of the TIFIA Loan shall not exceed the amount of the initial senior obligations at Financial Close (if the TIFIA Loan does not itself receive an investment grade rating) and the condition that the TIFIA Loan cannot exceed 33% of reasonably anticipated eligible project costs.

The USDOT has advised that it will reserve up to \$70m in TIFIA budget authority from its 2010 fiscal year appropriation to pay the Federal Government's subsidy cost of credit assistance to the Project. This reservation of budget authority is dependent upon congressional reauthorization of the TIFIA program and appropriation of budget authority under the program to pay the subsidy cost associated the TIFIA loan. As a result of the subsidy cost being reserved from the USDOT's 2010 fiscal year, the Consortium understands that it will not be possible to reach financial close on the TIFIA Loan prior to October 1, 2009.

The TIFIA Conditional Term Sheet provides that any required subsidy cost greater than \$70 million to fund the full amount of the TIFIA Loan must be paid by the Borrower at financial close. Based on discussions with the TIFIA Joint Project Office, the Consortium has assumed a subsidy cost of \$99 million or 12.5% of the TIFIA Loan. The Financing Plan provides funding for the additional \$29 million of subsidy cost required to fund the \$790 million TIFIA Loan.

Capitalized terms used in this section have the meaning ascribed to them in the TIFIA Conditional Term Sheet.

USDOT requires an investment grade rating by a nationally recognized rating agency for any debt which is senior to the TIFIA Loan. An indicative investment grade rating letter from Moody's ("Moody's Rating Letter") which is consistent with this requirement can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 7 of this Proposal.

The TIFIA Conditional Term Sheet and the Moody's Rating Letter describe a financing structure that differs in some respects from the Financing Plan. The significant differences are described and explained in Table B.20 below.

**Table B.21: Differences between Financing Structure and Moody's and TIFIA Structures**

Difference	Explanation
Form of initial liquidity support	• The TIFIA Conditional Term Sheet and the Moody's Rating Letter assume

	<p>that a senior liquidity facility shall be in place at financial close.</p> <ul style="list-style-type: none"> <li>Continuing discussions with potential financiers in the period prior to the Proposal Due Date indicated a preference for cash reserves as an initial source of liquidity for the Project. See further discussion of the General Reserve in Section B.3.4 of this Proposal.</li> </ul>
Total Project cost	<ul style="list-style-type: none"> <li>The DB Agreement price and other capital costs continued to be refined and negotiated until immediately prior to the Proposal Due Date.</li> <li>Further, the DB Agreement price is a key competitive parameter and its confidentiality is paramount; therefore it is not shared with external parties prior to the Proposal Due Date.</li> <li>The cost of interest during construction presented in the Financial Proposal reflects interest rates at the commencement of the Interest Rate Benchmarking Period (January 14, 2009).</li> </ul>
Equity contribution	<ul style="list-style-type: none"> <li>The Equity Contribution is determined by the equity investors' required internal rate of return ("IRR") and other investment criteria.</li> <li>These investment criteria are not finalized until immediately prior to the Proposal Due Date.</li> <li>The equity IRR is a key competitive parameter and its confidentiality is paramount; therefore it is not shared with external parties prior to the Proposal Due Date.</li> <li>The Equity Contribution in the Financing Plan is higher than the contribution presented to the USDOT and Moody's for review.</li> </ul>
Equity bridge facility	<ul style="list-style-type: none"> <li>The Moody's Rating Letter contemplates the possibility that an equity bridge facility could be in place at financial close.</li> <li>Continuing discussions with potential financiers in the period prior to the Proposal Due Date indicated limited appetite to provide an equity bridge facility.</li> <li>The Consortium will continue to evaluate the possibility of utilizing an equity bridge in the period prior to financial close.</li> </ul>
Public Funds	<ul style="list-style-type: none"> <li>The Public Funds request is an output determined by the total Project cost and the equity contribution.</li> <li>Like the total Project cost and the equity contribution, the Public Funds amount is not finalized until immediately prior to the Proposal Due Date. It is a key competitive parameter and its confidentiality is paramount; therefore it is not shared with external parties prior to the Proposal Due Date.</li> <li>Similarly, the Public Funds request was not final until immediately prior to the Proposal Due Date.</li> </ul>

In relation to the initial liquidity support and the equity contribution, the parameters included in the Financing Plan are more conservative than those presented to USDOT and Moody's, so will be viewed in a positive manner to improve the credit quality of the project.

## Key details of Facility

The key details of the TIFIA Loan are as follows in Table B.21:

**Table B.22: Key Details of the TIFIA Loan**

Key Details	
Type	TIFIA Direct Loan
Lender	United States Department of Transportation
Purpose	To reimburse eligible project costs incurred in connection with the Project
Final maturity date	December 31, 2050 or no later than 35 years from the date on which Substantial Completion (as defined in the CDA) has been achieved for all segments of the Project
Currency	USD
Available balance	Not to exceed \$800 million, provided that the maximum amount of the TIFIA Loan cannot exceed 33% of reasonably anticipated eligible project costs or, if the TIFIA Loan does not receive an investment grade rating, the amount of the initial senior obligations at Financial Close. The Financing Plan includes a TIFIA Loan in the amount of \$790 million.
Balance at end construction	\$877 million including capitalized interest
Security	A second priority security interest in Pledged Revenues and liens and security interests in other project assets subordinate only to the lien of the senior obligations (including certain hedge obligations). A first priority security interest in Pledged Revenues (but no other project assets) on parity with the lien of the Senior Debt Obligations (including certain hedge obligations) upon the occurrence of a Bankruptcy Related Event. Please refer to the TIFIA Conditional Term Sheet for a definition of Bankruptcy Related Event.
Ratings required	Investment grade rating by a nationally recognized rating agency for any debt senior to the TIFIA Loan. An indicative investment grade rating letter from Moody's which is consistent with this requirement can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 7 of this Financial Proposal.
Monoline insurer	N/A
Indicative letter of support provided by:	United States Department of Transportation

## Interest rates and fees

Details of the interest rate and fees payable in relation to the TIFIA Loan are as follows in Table B.22:

**Table B.23: Interest Rates and Fees on TIFIA Loan**

Interest Rates and Fees	
Loan Servicing Fee	As described in TIFIA Conditional Term Sheet (Volume 1, Attachments to B, C, D, E, & F, Attachment 5 of this Financial Proposal)

## Interest Rates and Fees

Base interest rate	The rate of securities of a similar maturity as published on the execution date of the TIFIA Credit Agreement(s) in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series ("SLGS") securities
Margin	1 basis point
Default interest rate	200 basis points above the TIFIA interest rate
Reference interest rate for benchmarking	The rate for securities with a 30 to 40 year maturity as published in the United States Treasury Bureau of Public Debt's daily rate table for SLGS securities
Proposed hedging arrangements	N/A – the TIFIA Loan is a fixed rate obligation

## Drawdown, debt service and repayment

Details of the drawdown, debt service and repayment terms of the TIFIA Loan are as follows in Table B.23:

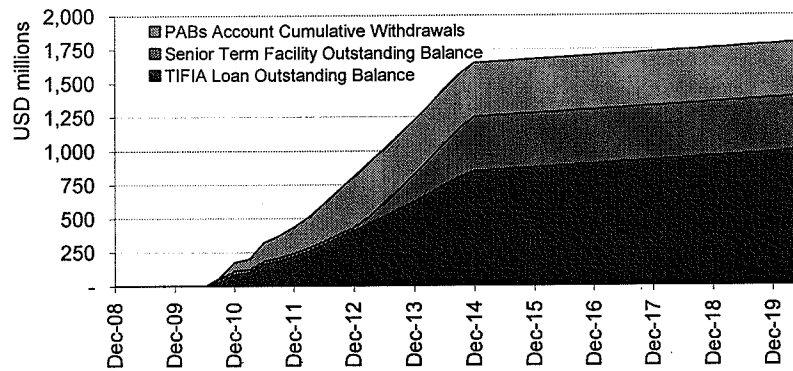
**Table B.24: Drawdown, Debt Service and Repayment Terms on TIFIA Loan**

Drawdown, Debt Service and Repayment Terms	
Availability period	Available to finance eligible project costs; or to refinance interim construction financing of eligible project costs no later than one year following substantial completion (according to the TIFIA Program Guide)
First interest payment	Year 6 following the date on which substantial completion (as defined in the CDA) has been achieved for all segments of the Project. See further detail below
Payment periodicity	Semi-annual payments on an actual/actual basis
Capital repayment moratorium	None
Repayment period	Year 21 through year 35 following the date on which substantial completion (as defined in the CDA) has been achieved for all segments of the Project. See further detail below
Average life	35 years

## Drawdown

Figure B.7 below illustrates the outstanding balance of the TIFIA Loan under the Financing Plan. The TIFIA Loan will be drawn pro rata with the PABs expenditures and the Equity Contribution. After the PABs Account has been exhausted, the TIFIA Loan will be drawn pro rata with the Senior Bank Term Facility and the Equity Contribution.

**Figure B.7: Accumulated Debt Drawdowns during Construction: TIFIA Loan**



## Debt service and repayment

TIFIA debt service is structured to include both mandatory payments and scheduled payments in years 6 through year 25 year following the date on which substantial completion (as defined in the CDA) has been achieved for all segments of the Project. Mandatory payments are unconditionally required to be paid as set forth in the TIFIA Credit Agreement. Scheduled payments are to be paid only to the extent that net project revenues, after operations and maintenance and senior debt service, are available.

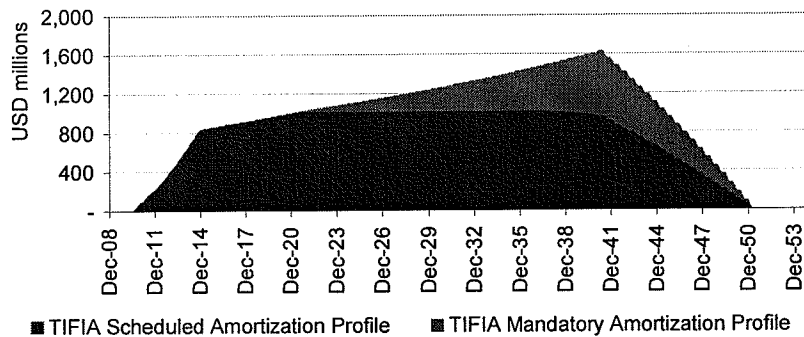
There is no scheduled or mandatory debt service during the first five years following the substantial completion. Following this period, the scheduled and mandatory payments are expected to be as follows in Table B.24:

**Table B.25: Debt Service and Repayment for TIFIA Loan**

Scheduled Payments
<ul style="list-style-type: none"> <li>• 100% of current interest (assuming all scheduled debt service in previous periods is paid) in year 6 through year 25 following substantial completion; and</li> <li>• Principal payments totaling \$50 million in year 21 through year 25 following substantial completion.</li> <li>• From 25 years after substantial completion, all TIFIA debt service is mandatory.</li> </ul>
Mandatory Payments
<ul style="list-style-type: none"> <li>• Mandatory interest equal to 10% of scheduled interest in year 6 following the substantial completion date;</li> <li>• Mandatory interest equal to 17.5% of scheduled interest in year 7 following the substantial completion date;</li> <li>• Mandatory Interest equal to 25% of scheduled interest in year 8 through year 25 following the substantial completion date; and</li> <li>• Level payments of mandatory principal and interest in year 26 through year 35 following the substantial completion date ("Level Payment Period"). Any unpaid portion of scheduled debt service shall be capitalized and added to the outstanding TIFIA Loan balance at the beginning of the Level Payment Period, and the level payments of mandatory principal and interest during the Level Payment Period shall be calculated as of the first day of the Level Payment Period in such manner that the outstanding TIFIA Loan balance as of such date shall be reduced to \$0 on the final maturity date of the TIFIA Loan.</li> </ul>

Figure B.8 below illustrates the outstanding balance of the TIFIA Loan under the base case as well as the outstanding balance of the TIFIA Loan in the event that only mandatory debt service is paid.

**Figure B.8: TIFIA Mandatory and Scheduled Amortization Profile**



## Revenue Sharing

Following the first five years from the substantial completion date and subject to any requirements of senior lenders, 50% of toll revenues in any period which exceed the toll revenues forecast for that period in the investment grade traffic and revenue study for the project conducted by Arup ("TIFIA Revenue Sharing Amount") shall be used to prepay the TIFIA loan to the extent the TIFIA Revenue Sharing Amount is available at the level immediately above Restricted Payments in the flow of funds outlined in the TIFIA Conditional Term Sheet. As a result of its position in the flow of funds, TIFIA Revenue Sharing will only occur to the extent that funds are available after any revenue sharing payments to TxDOT and many other cash flow priorities.

## Eligible Project Costs

Eligible project costs are defined in title 23 of the U.S.C. §601 as those expenses associated with the following:

- Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other pre-construction activities;
- Construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; and
- Capitalized interest necessary to meet market requirements, reasonable required reserve funds, capital issuance expenses, and other carrying costs during construction.

The appendix to the TIFIA Conditional Term Sheet further details which costs are eligible for TIFIA purposes and has assisted the Consortium in its calculation of anticipated eligible project costs. These costs have been verified through discussions with the TIFIA JPO.

The amount of the TIFIA Loan included in the Financing Plan (\$800 million) does not exceed 33% of the Consortium's reasonably anticipated eligible project costs, as demonstrated in Table B.25 below.

**Table B.26: TIFIA Eligible Project Costs**

Eligible project cost	Consortium's reasonably anticipated costs (USD million)
TxDOT Preliminary Engineering Expenditures	30
Due Diligence Fees	34
Construction	2,167
Capitalized Interest	236

Eligible project cost	Consortium's reasonably anticipated costs (USD million)
Reserve Funds	125
Capital Issuance Expenses	38
Other Carrying Costs During Construction	81
Total Eligible Project Costs	2,711
33% of Total Eligible Project Costs	894

## Term and Conditions

### Conditions Precedent to Financial Close

Execution of the TIFIA Credit Agreement shall be subject to the requirements and conditions which apply to the Senior Debt Facilities (Section B.3.1) plus additional conditions including, but not limited to those found in the following Table B.26:

**Table B.27: Conditions Precedent to Financial Close for TIFIA Loan**

Conditions Precedent to Financial Close
<ul style="list-style-type: none"> <li>▪ Execution and delivery of the senior obligation agreements and the subordination and intercreditor agreement (as applicable);</li> <li>▪ The Lenders' Base Case projection at financial close demonstrates that Net Revenues (defined to include the amounts available in liquidity support arrangements for the first 10 years following the Substantial Completion Date only) in any year will produce (i) a senior debt service coverage ratio at least equal to 1.25 in such year and (ii) a combined debt service coverage ratio (taking into account both mandatory and scheduled TIFIA debt service) at least equal to 1.10 in such year;</li> <li>▪ The Lenders' Base Case Financial Model at financial close shall not show any amortization of senior debt until all currently accruing TIFIA interest is being paid;</li> <li>▪ Delivery of a standby letter of credit or equivalent support acceptable to USDOT for equity commitments to be made subsequent to Financial Close;</li> <li>▪ Demonstration to the USDOT's satisfaction that the Project's Financing Plan is sufficient to complete the Project;</li> <li>▪ Delivery of an investment grade rating by a nationally recognized rating agency for any debt senior to the TIFIA Loan;</li> <li>▪ Delivery of an independent peer review of the Borrower's traffic and revenue study by a traffic consultant approved by the USDOT;</li> <li>▪ Cooperation of the Borrower in the independent risk assessment of the financial viability of the Project to be conducted by the Lender;</li> <li>▪ Evidence of compliance with the National Environmental Policy Act of 1969 (NEPA);</li> <li>▪ Evidence of the inclusion of the Project in relevant metropolitan and state transportation plans as required by section 610(a)(1) of the TIFIA Statute;</li> <li>▪ Delivery of material Project agreements, all in form and substance satisfactory to USDOT;</li> <li>▪ Provision to USDOT of records of the eligible project costs prior to the date of TxDOT's application in sufficient time to permit USDOT to conduct an audit of such costs prior to Financial Close;</li> <li>▪ Demonstration to USDOT's satisfaction of all necessary funding, permits and governmental approvals necessary to commence construction;</li> <li>▪ Evidence satisfactory to USDOT of compliance with the TIFIA statute and conditions precedent set forth in the operative documents.</li> </ul>

### Conditions Precedent to Drawdowns

The TIFIA Conditional Term Sheet states that disbursements shall be made monthly to the Borrower pursuant to disbursement conditions to be set forth in the TIFIA Credit Agreement. The disbursements will be subject to the conditions



which apply to the Senior Debt Facilities (Section B.3.1) plus additional conditions which will have not been fully negotiated but on the basis of the TIFIA Conditional Term Sheet, are expected to include those found in the following Table B.27:

**Table B.28: Conditions Precedent to Drawdowns for TIFIA Loan**

Conditions Precedent to Drawdowns	
■	A failure to achieve substantial completion by the Long Stop Date (as defined in the CDA) shall not have occurred.
■	TIFIA disbursements shall be on a pro rata basis with disbursements of the proceeds of senior loans, unless otherwise agreed to by the USDOT.

## Affirmative Covenants

The TIFIA Conditional Term Sheet places obligations on the Borrower as found in the following Table B.28:

**Table B.29: Affirmative Covenants for TIFIA Loan**

Affirmative Covenants	
■	<p>The Borrower shall maintain hedges (with a provider rated in the double A category or higher) during any period in which the senior obligations bear interest at a variable interest rate. Each "Qualified Hedge" shall provide for a fixed interest rate or interest rate cap resulting in fixed interest payment amounts at a rate less than or equal to the long-term fixed swap rate. Acceptable hedges will also include a hedging reserve fund or "rolling hedges" with a stated termination date of at least one year.</p> <ul style="list-style-type: none"> <li>- On or prior to financial close, the Borrower shall put in place Initial Qualified Hedge(s) with an aggregate stated notional amount of not less than 98% of the aggregate principal amount of the variable interest rate senior obligations incurred at financial close and with a stated maturity or termination date not earlier than the final maturity date of the initial senior obligations.</li> <li>- Subsequent Qualified Hedge(s) shall be selected with TIFIA's consent and subject to a fair price certificate.</li> </ul>
■	<p>The Borrower shall (as set forth in Exhibit 4 to the CDA) fix, charge and collect rates and charges such that Net Revenues in any year shall be projected to produce (i) a senior debt service coverage ratio at least equal to 1.25 in such year and (ii) a combined debt service coverage ratio (taking into account TIFIA mandatory debt service only) at least equal to 1.1 in such year. If the Borrower determines that Net Revenues may be inadequate to comply with the rate coverage test for any year, or that the test was not satisfied for any year, the Borrower shall (a) engage the Traffic Auditor to review and analyze the operations of the Project and recommend actions regarding revising the rates, changing the methods of operations or other actions to increase the Net Revenues as to satisfy the rate covenant and (b) either implement the Traffic Auditor's recommendation or undertake an alternative plan that the Traffic Auditor agrees is likely to generate equivalent or greater Net Revenues than the Traffic Auditor's recommended actions; provided, that the Borrower is not required to take any action that may result in a breach by the Borrower of its obligations under the CDA.</p>
■	<p>The Borrower shall maintain reasonable debt service reserves or other liquidity support during the term of the TIFIA Loan. This Liquidity Requirement shall be satisfied by a liquidity facility, standby letter of credit, cash collateral or other liquidity support acceptable to USDOT ("Replacement Liquidity Facility") with an available balance equal to the sum of the senior and TIFIA (scheduled and mandatory) debt service due and payable during a twelve month period commencing from each payment date.</p> <ul style="list-style-type: none"> <li>- During the first ten years after financial close, the Borrower shall establish a Debt Service Reserve Account ("DSRA") into which funds will be paid in accordance with the Flow of Funds up to a required balance defined by reference to the senior and TIFIA (scheduled and mandatory) debt service payable in years 6 to 10 of operations. The balance of the DSRA may be released to equity if the Borrower secures a commitment to provide a Replacement</li> </ul>

Liquidity Facility which is available for a minimum of 5 years from the end of year 5 of operations.

- The DSRA shall be re-established and have a required balance at any time where there is no Replacement Liquidity Facility currently in place or the time remaining until the expiry of the Replacement Liquidity Facility currently in place is less than 2 years and the Borrower has not secured a commitment for a replacement. Failure to fund the DSRA shall not constitute an event of default under the TIFIA Loan.
- In certain circumstances set out in the TIFIA Conditional Term Sheet, the Borrower shall be obliged to secure a liquidity facility which shall be available from the beginning of year 26 following the Substantial Completion Date and which shall have an available balance sufficient to demonstrate a Combined Debt Service Coverage Ratio at least equal to 1.10x in each year for the remaining term of the TIFIA Loan.
- The Borrower shall provide to USDOT annually a private rating on the senior obligations and the TIFIA Loan by a nationally recognized rating agency.
- The Borrower shall provide executed copies of agreements regarding operation, management, maintenance, safety and financial services for the Project.
- The proceeds of the senior obligations held in the construction fund and any debt service reserve funds shall be invested in Permitted Investments (as defined in the TIFIA Conditional Term Sheet).
- Obligations related to accounting procedures, fiscal controls, audits, record keeping and file retention.
- Obligations related to provision of annual reports, financial statements, Financing Plans, progress reports and other information.

## Negative Covenants

The TIFIA Conditional Term Sheet places restrictions on the Borrower as found in the following Table B.29:

**Table B.30: Negative Covenants for TIFIA Loan**

Negative Covenants	
•	There shall be no release to equity of any kind unless: <ul style="list-style-type: none"> <li>- TIFIA debt service (mandatory and scheduled) is current (during the period of deferred principal and interest, currently accruing interest must be paid);</li> <li>- The combined debt service ratio (taking into account both mandatory and scheduled TIFIA debt service, and not taking into account amounts then available in any liquidity support arrangements) is equal to at least 1.20x for the 12 months preceding the distribution date and is projected to equal at least 1.20 for the twelve months following the distribution date; and</li> <li>- All requirements with respect to the Debt Service Reserve Account as defined in the TIFIA Conditional Term Sheet have been satisfied.</li> </ul>
•	Additional indebtedness on a parity with the initial senior obligations may not be incurred unless the conditions set out in the TIFIA Conditional Term Sheet are met. In most circumstances, an investment grade rating is required and certain coverage tests must be met.

## Default Provisions

Events of Default under the TIFIA Conditional Term Sheet include (but are not limited to) those found in the following Table B.30:

**Table B.31: Default Provisions for TIFIA Loan**

Default Provisions	
•	An acceleration occurs with respect to any Project debt senior to or on a parity with the TIFIA credit instrument.
•	There is a failure to make a mandatory debt service payment when due.
•	Any of the Borrower's representations, warranties or certifications under the financing agreements is materially false or misleading or the Borrower fails to comply with any covenants or agreements under such documents, subject to a cure period.
•	A Bankruptcy Related Event occurs.

- A material default by the Borrower under any other documents executed in connection with the Project occurs and has a material adverse effect on the Borrower's ability to comply with its obligations under the TIFIA Credit Agreement, subject to a cure period.
- The Borrower fails to achieve substantial completion by the Long Stop Date, as defined in the CDA ("Development Default"), subject to a cure period if the Development Default is solely the result of Uncontrollable Force.
- The Borrower abandons or ceases to operate the Project for an extended period (other than for force majeure or other reasons covered by insurance).

### **B.3.4 Reserve Accounts**

The Financing Plan includes three reserves:

- A general reserve ("General Reserve") to be established at financial close in the form of cash or a letter of credit in favor of the Developer from an acceptable financial institution ("Reserve LC"), in an amount not less than \$125 million. This reserve has been sized to cover the maximum annual debt service during the first 10 years following financial close and to provide a significant additional liquidity buffer which enhances the robustness and flexibility of the financing structure in any revenue stabilization period. (The Developer shall not be responsible for the cost of the Reserve LC or for reimbursing the providing financial institution for any draws on it.) The Financing Plan assumes that the General Reserve is provided in the form of a Reserve LC during the construction period, and in the form of cash after construction end. The General Reserve or Reserve LC may be drawn to fund any cash flow shortfalls during the term of the senior facilities. The General Reserve or Reserve LC will be released on the tenth anniversary of financial close if the Developer has secured a liquidity facility or other liquidity support in an amount sufficient to satisfy the requirements of lenders. . The Financial Model assumes a 0% Reserve LC cost during the period that the General Reserve is provided in the form of a Reserve LC.
- A Refinancing Reserve will be funded from excess Project cash flows in accordance with the Flow of Funds set out in the TIFIA Conditional Term Sheet and up to an expected closing balance in each period (\$96 million at the maturity of the initial senior bank facilities, under the Financing Plan). The funds in the Refinancing Reserve shall be available for the purpose of repaying any overdue principal amounts in respect of the senior bank facilities. The entire balance of the Refinancing Reserve will be released to equity upon a successful refinancing of the senior bank facilities.
- A TIFIA Debt Service Reserve Account will be funded from Project cash flows in accordance with the Flow of Funds set out in the TIFIA Conditional Term Sheet. This reserve is intended to create a cash balance which will remain in place as a debt service reserve after the tenth anniversary of financial close only if the Developer has not secured a liquidity facility or other liquidity support acceptable to USDOT (in an amount sufficient to cover annual senior and TIFIA debt service). It is anticipated that the objectives of the TIFIA Debt Service Reserve Account will be satisfied by the General Reserve described above (which will not be released unless the Developer has secured a liquidity facility or other liquidity support in an amount sufficient to satisfy the requirements of lenders) and that it will therefore not be required as part of a financing structure including the General Reserve; however the Consortium has conservatively assumed that both the General Reserve and the TIFIA Debt Service Reserve Account are in place.

### B.3.5 Contemplated Refinancings

#### Refinancing of Initial Senior Debt Facilities and Instruments; Replacement of Initial Senior Debt Facilities and Reserves

The Financing Plan assumes refinancings of the initial senior debt facilities and instruments as summarized in Table B.31 below.

The Financing Plan assumes that at maturity, the outstanding balances of the senior bank facilities will be refinanced into new senior term facilities. It is also assumed that the PABs are refinanced into a senior term facility upon the expiry of the 10 year non call period. This refinancing facility is assumed to be replaced every ten years.

The Financing Plan assumes the establishment of new facilities to fund the maintenance capital expenditure requirements of the Project every ten years during the term of the senior debt. It is also assumed that a liquidity facility is established at the first refinance date (and every 10 years thereafter) to replace the General Reserve in compliance with TIFIA debt service reserve requirements. The liquidity facilities are assumed to be sized to the maximum annual debt service during each ten year term. The new maintenance capex and liquidity facilities are assumed to have the same commercial terms as the refinanced senior bank amounts. At the maturity of each maintenance capex facility, any outstanding balance will be refinanced into the senior term facilities described in Table B.31 below. The outstanding balance in the liquidity facility will be subject to a cash sweep. The establishment terms for the two facilities are outlined in Table B.32 below.

**Table B.32: Senior Bank Debt Facility Refinancings**

	Refinance 1	Refinance 2	Refinance 3	Refinance 4
Date	9/30/2020	9/30/2030	9/30/2040	9/30/2050
Facilities / Instruments which are refinanced	Senior bank facilities PABs issuance	Senior bank facilities	Senior bank facilities	Senior bank facilities
Term Loan Amount	805 million	871 million	1,000 million	972 million
Term of refinancing facilities	10 years	10 years	10 years	10 years
Repayment terms	Bullet repayment at year 10	Bullet repayment at year 10	Amortization commencing year 37 of the concession; bullet repayment at year 10	Amortization until fully repaid in year 47 of the concession
Margin	120 bps	120 bps	120 bps	120 bps
Refinancing Fees Paid	120 bps	120 bps	120 bps	120 bps

	Refinance 1	Refinance 2	Refinance 3	Refinance 4
Purpose	1.Repay current Senior Debt Facilities and PABs issuance 2.Pay issuance costs	1. Repay current Senior Debt Facilities 2.Pay issuance costs	1. Repay current Senior Debt Facilities 2.Pay issuance costs	1. Repay current Senior Debt Facilities 2.Pay issuance costs
Additional Hedging	0%	0%	0%	0%

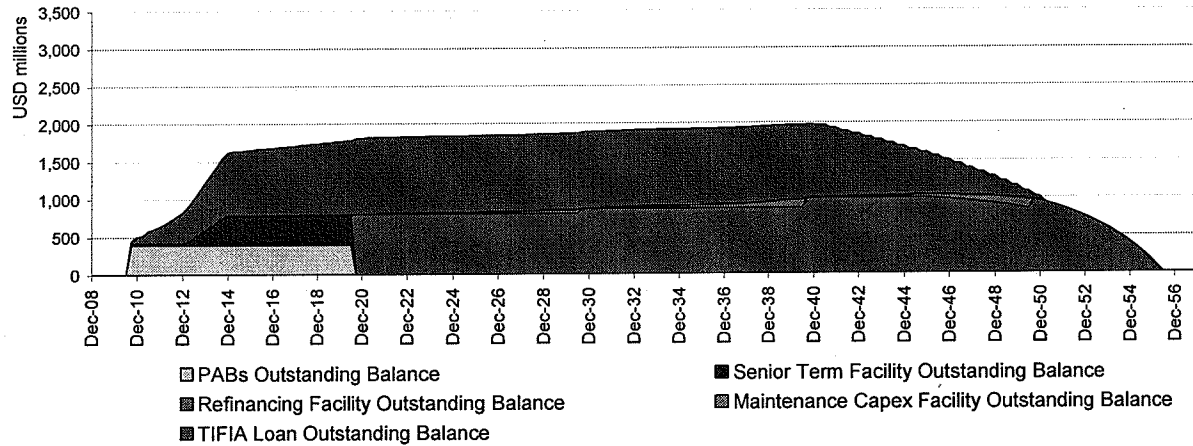
**Table B.33: Maintenance Capex and Liquidity Facility Establishment Terms**

	Refinance 1	Refinance 2	Refinance 3
Date	9/30/2020	9/30/2030	9/30/2040
Maintenance capex facility available balance	\$57 million	\$114 million	\$124 million
Liquidity facility available balance	\$60 million	\$115 million	\$148 million
Establishment Fee	1.20%	1.20%	1.20%
Commitment Fee	40% of Margin	40% of Margin	40% of Margin

## Refinancings

The refinancings described in Table 31 results in the debt profile included in the Financial Proposal as seen below in Figure B.9:

**Figure B.9: Refinancings**

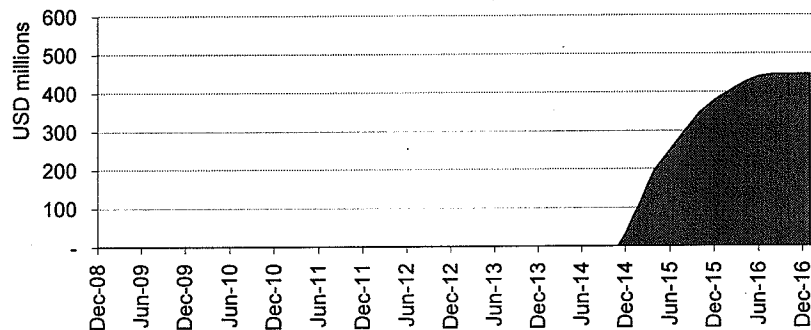


It is important to note that the risk of not achieving this structure and the assumed terms is fully taken by the shareholders as it will impact our targeted equity IRR. This risk has been taken into account when deciding the level of equity return targeted for this Project.

### B.3.6 Public Funds

The Financing Plan assumes a Public Funds request profile in accordance with the terms set forth in Exhibit C of the ITP. The cumulative Public Funds drawdowns included in the Financing Plan are illustrated below in Figure B.10.

**Figure B.10: Public Funds Cumulative Requests**



### B.3.7 Proposed Hedging Arrangements

Consistent with the Consortium's interest rate benchmarking election, the Financing Plan assumes that a USD LIBOR swap with a maturity of 30 years from financial close shall be executed at financial close to hedge the interest rate risk associated with the Term Facility and the Maintenance Capex Facility and the refinancings of those facilities for up to 30 years. The swap will be tailored to the drawdown profiles of the facilities. The hedge will have an aggregate stated notional amount of 100% of the principal amount expected to be outstanding in each period, assuming no amortization of the facilities over the life of the hedge.

Unhedged senior bank debt amounts (eg. new senior bank debt drawn to refinance PABs, or fund maintenance capital expenditure after the ten year anniversary of financial close; and bank debt amounts outstanding greater than 30 years after financial close) are assumed to bear interest at the base rate of 5.6%.

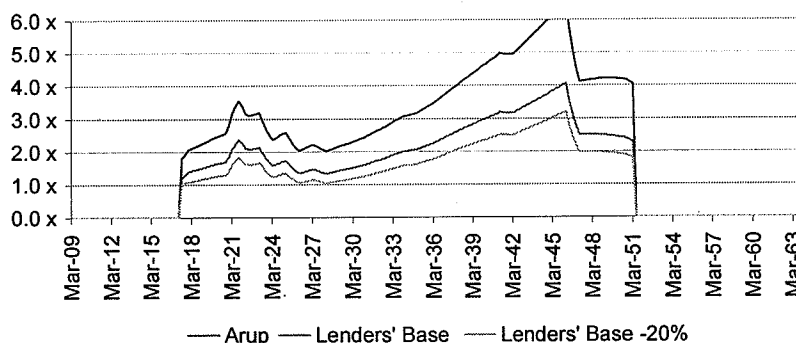
Note that the PABs will be issued with a fixed coupon and therefore no interest rate hedging is necessary in respect of the PABs.

### B.3.8 Traffic Scenarios

The base case traffic and revenue assumptions and estimates underlying the Financial Proposal are based upon a network model prepared by Arup North America Ltd ("Arup") and contained in the Traffic and Revenue report provided in this Financial Proposal (Escrowed Materials-Assumptions Book). Additionally, Hatch Mott conducted a review of the Arup Traffic and Revenue forecasts on behalf of the lenders and produced the Lenders' base case traffic and revenue estimates ("Lenders' Base") which we contained in Hatch Mott report provided in this Financial Proposal (Escrowed Materials-Assumptions Book).

The Financing Plan has been designed to be able to withstand reasonable stresses to the traffic and revenue profile. A comparison of the coverage ratios for the life of the loans in Figure B.11 indicate that the financing structure produces at least a 1.0x mandatory debt service coverage even under a 20% stress case below the Lenders' Base case.

**Figure B.11: Senior and Mandatory TIFIA Debt Service Coverage Ratios under Revenue Cases**



### B.3.9 Indicative Credit Ratings Letter

The indicative credit rating letter can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 7 of this Financial Proposal. An investment grade rating of senior debt is required under the terms of the TIFIA Loan.

### B.3.10 Lenders' Traffic and Revenue & Technical Due Dillgence Reports

Lenders' traffic and revenue and technical due diligence reports can be found in the assumption book within the Escrowed Financial Proposal.

### B.3.11 Expected Timetable to Financial Close

A detailed timetable to Financial Close can be found in Section B6.

## **B.3.12 Lender Support Letters**

Lender Support Letters can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 2 of this Financial Proposal.

## **B.3.13 TIFIA Commitment Letter**

The TIFIA conditional commitment, comprising of a letter and the TIFIA Conditional Term Sheet can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 5 of this Financial Proposal.

## **B.4 Details of Equity Source and Equity Participant Letters**

### **B.4.1 Identity of the Investors**

The Developer will be directly or indirectly owned by two investors, Cintra and Meridiam.

#### **Cintra Concesiones de Infraestructuras de Transporte S.A.**

Cintra is one of the largest private-sector developers of transport infrastructure, with committed equity investments of more than \$3 billion. Formed in the Kingdom of Spain, Cintra is a publicly held company listed in Madrid's Stock Exchange, headquartered in Madrid with subsidiaries in three continents, including a branch office for the development of US operations in Austin, Texas.

Cintra currently manages 22 toll highways (more than 1,700 miles/2,735km) in Spain, Portugal, Ireland, Italy, Greece, Chile, Canada (407 ETR) and the US (Chicago Skyway and Indiana Toll Road, and will soon begin construction on SH 130 segments 5&6 in Texas), and has significant cumulative experience in bidding concession projects all over the world.

Cintra has extensive experience and infrastructure leadership in Texas. In 2005, Cintra together with a US construction firm, signed a Comprehensive Development Agreement (CDA) in Texas to develop the High Priority Trans Texas Corridor (TTC-35). Recently, Cintra was awarded segments 5 and 6 of State Highway 130 in Texas, the US' first 100% privately funded Greenfield project. Cintra has also been able to achieve financial close on the SH-130 concession under current market conditions and having as sources \$430M of TIFIA loan proceeds, \$685M of Senior Bank Debt and \$197M in Equity.

Cintra has a strong track record in bidding processes and management experience in many of the selected markets and technical experience in the execution and integration of the different facets of the infrastructure concessions business, including construction, land expropriations, environmental impacts, financing, negotiating agreements, operations and maintenance, and traffic forecasting. It also has the financial capacity to obtain capital financing for projects, as well as the ability to develop innovative financial structures and to use different financial instruments.

#### **Meridiam Infrastructure Finance**

Meridiam is a fully owned investment subsidiary of Meridiam Infrastructure S.C.A. SICAR ("Meridiam Fund"). Meridiam Fund is a €600 million (approx. \$900 million) infrastructure fund with a 25 year life set up in order to be able to buy and hold assets for the long term. Meridiam Fund focuses exclusively on Public Private Partnership ("PPP") projects in OECD countries, investing an array of equity, subordinated debt, mezzanine debt and hybrid instruments in the



transportation, public sector facilities and accommodation, and environmental sectors or related services fields in North American and the EU.

Since inception in 2006, Meridiam Fund has invested in the following four PPP assets: the Limerick Tunnel in Ireland (awarded 2006 European PPP Deal of the Year by Project Finance Magazine and the 2006 Project Finance Deal of the Year by the International Financial Law Review), the Vienna A5 Ostregion in Austria (awarded 2006 Bond Deal of the Year by Infrastructure Journal), a series of primary health care facilities procured under the UK LIFT scheme, and the A2 Motorway in Poland.

The Meridiam team has the experience and ability to add value throughout the project lifecycle as active developers, investors and asset managers. The team is comprised of a number of leading figures in the global infrastructure and PPP markets. The Meridiam team is led by Thierry Déau and Julia Prescott, two professionals with considerable experience of all aspects of infrastructure financing and a strong network of relationships. The team has a combined experience of investment in, and management of, PPP projects in excess of 60 years. Some of the team members held leading roles in the early PPP markets (UK and Australia) in the mid-1990s. Projects closed by team members include: A2 Motorway (Poland), Budapest Airport (Hungary), SCUT Interior Norte motorway (Portugal), Brussels wastewater treatment (Belgium), First tranche French prisons (France), Leslys Express Tramway Lyon (France), Brussels Airport (Belgium), Manila North Tollway (Philippines), Daejeon Riverside Expressway (Korea), South Australian ports (Australia), A28 and A41 Motorway (France), Leeds 7 schools (UK), Hexham Hospital (UK), Tubelines London Underground (UK), Eje Aeropuerto/Palma Manacor (Spain), Rathcormac/Fermoy road (Ireland). Since 2000, the team has participated in projects with an aggregate value of €4.6 billion (approximately \$6.9 billion) and held key roles in eight road/tunnel/bridge projects in the EU, the Americas and the Asia-Pacific region.

#### **B.4.2 Amount and Timing of Shareholders' Subscriptions**

The equity investors will contribute up to \$684 million in total prior to completion of construction of the Project, as set out in the following Table B.33:

**Table B.34: Equity Contribution by Equity Sponsor**

Equity Sponsor	\$ million
Cintra	376
Meridiam	308
Total	684

The timing of the equity investors' capital contributions to the Developer will be determined via negotiations with lenders in the period prior to financial close. The Financial Model assumes that equity will be contributed pro rata with funds sourced from debt financiers.

The sponsors are currently contemplating the possibility of enhancing the equity contributions by implementing subordinated debt solutions, such as mezzanine debt, to introduce flexibility and ease external borrowing. Such solutions would therefore require further assessment until Financial Close, as the financing structure advances.

There shall be no further equity contributions after the completion of construction.

## **B.4.3 Terms and Conditions of Subscription**

### **Commitment of Funds**

Cintra has provided a letter evidencing its commitment to provide the equity funding described above (Volume 1, Attachments to B, C, D, E, & F, Attachment 1 of this Financial Proposal). Cintra's provision of this commitment has been approved by its Board of Directors. On June 24, 2008 a meeting of the Board of Directors of Cintra was held at the Corporation's corporate offices which validly passed by unanimous written consent the approval of the participation in the Proposal for the concession to develop, design, construct, finance, operate and maintain the IH635 Managed Lanes Project in Texas, U.S.A., in accordance with the proposal documentation, including the creation, as the case may be, of the pertinent companies. A certificate signed by Javier Romero Sullá, Secretary of the Board of Directors, certifying these items as well as the sufficiency of the approval, is included herein and can be located under Volume 1, Tab B of the Technical Proposal. Attached to such certificate we include the following supporting documentation: a certificate issued by the Company Registry (Registro Mercantil de Madrid) identifying all of the Directors and the Officers of the Corporation and their respective offices, a copy of Public Deed number 2.164 appointing Javier Romero Sullá as secretary of the Board and Mr. Orol's power of attorney evidencing authority of such individual to represent Cintra in respect of the Proposal.

Meridiam has provided a letter evidencing its commitment to provide the equity funding described above (Volume 1, Attachments to B, C, D, E, & F, Attachment 1 of this Financial Proposal). Meridiam's provision of this commitment has been approved by its Investment Committee. On July 17, 2008, the Board of Managers of Meridiam Infrastructure Managers S.A.R.L. approved Meridiam's participation in the IH635 Managed Lanes Project in all respects including approval of the content of the Financial Proposal and submittal of a binding offer. A certificate signed by Thierry Déau, General Manager of Meridiam Infrastructure Managers S.A.R.L and Chairman of the Board of Managers is enclosed herein and can be located within Volume 1, Tab B of the Technical Proposal. Attached to such certificate we include the following documentation: a copy of a written resolution taken by the sole shareholder of Meridiam Infrastructure Finance S.A.R.L reducing the number of managers of the company to one as well as appointing Mr. Deau as sole manager of the Company and Mr. Aiello's power of attorney evidencing authority of such individual.

The Sponsors' commitment is further evidenced by their provision of the Proposal Security required under the terms of the ITP.

### **Terms and conditions of subscription**

The capital of the company shall be represented by units. The Members shall participate in the rights, benefits, obligations and liabilities within the Company on the following basis as in Table B.34:

**Table B.35: Units of Membership Participation**

Member	Percentage Interest
Cintra	55%
Meridiam	45%

Additionally, the Dallas Police and Fire Pension System have an option for up to a 10% equity participation which they can exercise after concluding due diligence.

The Members will share in all profits, losses and other items of the Company according to their respective Percentage Interests. All distributions shall be made according to the Members' Percentage Interests.

The equity investors' nominal, after-tax internal rate of rate ("Equity IRR") under the Financing Plan is 12.76%.

The Equity IRR is calculated from the dates on which actual funding to the Developer occurs (i.e. on a cash basis).

#### **B.4.4 Certified Copies of Board Minutes**

On June 24, 2008 a meeting of the Board of Directors of Cintra was held at the Corporation's corporate offices which validly passed by unanimous written consent the approval of the participation in the Proposal for the concession to develop, design, construct, finance, operate and maintain the IH635 Managed Lanes Project in Texas, U.S.A., in accordance with the proposal documentation, including the creation, as the case may be, of the pertinent companies. A certificate signed by Javier Romero Sullá, Secretary of the Board of Directors, certifying these items as well as the sufficiency of the approval, is included herein and can be located under Volume 1, Tab B of the Technical Proposal.

On July 17, 2008, the Board of Managers of Meridiam Infrastructure Managers S.A.R.L. approved Meridiam's participation in the IH635 Managed Lanes Project in all respects including approval of the content of the Financial Proposal and submittal of a binding offer. A certificate signed by Thierry Déau, General Manager of Meridiam Infrastructure Managers S.A.R.L and Chairman of the Board of Managers is enclosed herein and can be located within Volume 1, Tab B of the Technical Proposal.

#### **B.4.5 Letters of Commitment from Equity Participants**

Letters from the Equity Participants evidencing their commitment to provide equity funding can be found in Volume 1, Attachments to B, C, D, E, & F, Attachment 3 of this Proposal.

#### **B.5 Financial Advisor Letter**

The Consortium has received a Financial Advisor Letter provided by Macquarie Capital (USA) Inc. ("MCUSA") in relation to the Financing Plan (Volume 1, Attachments to B, C, D, E, & F, Attachment 4 of this Financial Proposal).

#### **B.6 Schedule for Commercial and Financial Close**

##### **B.6.1 Schedule for Commercial Close**

The Consortium is experienced in managing complex transactions and has detailed a planning process that will ensure clear communication between the parties to achieve commercial close and then financial close in an efficient and timely manner.

Following conditional award, the Consortium expects to call a meeting (the "Commercial Close Co-ordination Meeting") with the requisite parties to outline the steps required to achieve commercial close within 61 days as required by the ITP. Table B.35 below lists the parties and their respective roles during the period to commercial close:

**Table B.36: Parties and Respective Roles to Commercial Close**

Role	Party
Project sponsor	TxDOT

Role	Party
TxDOT financial advisors	KPMG, Goldman Sachs
TxDOT counsel	Nossaman Guthner Knox & Elliott LLP ("Nossaman")
Developer	Developer
Developer financial advisor	MCUSA
Developer counsel	White & Case
Developer Texas counsel	Bracewell & Giuliani LLP ("Bracewell")
Tolling services provider	North Texas Tolling Authority ("NTTA")
DB Contractor	Grupo Ferrovial / W.W. Webber Joint Venture ("Ferrovial / Webber")
Independent Engineer	To be determined

The purpose of the Commercial Close Co-ordination Meeting will be to explain the timetable to commercial close, agree on a commercial close checklist, allocate parties and individuals to working groups and define roles and functions of the working groups to accomplish the key milestones to commercial close. Additionally, the Consortium envisages the creation of an Oversight Committee that meets regularly in order to monitor progress and facilitate negotiations between TxDOT and the Developer during the period leading to commercial close. The working groups that the Consortium envisages will have key deliverables which are outlined in Table B.36:

**Table B.37: Working Groups and Key Deliverables to Commercial Close**

Working Group	Members	Deliverables
<b>Oversight Committee</b>	TxDOT Developer	<ul style="list-style-type: none"> <li>▪ Oversight of process to commercial close</li> <li>▪ Conduct progress and monitoring sessions</li> <li>▪ Resolution of escalated issues from working groups</li> </ul>
<b>Primary agreements</b>	TxDOT Nossaman Developer White & Case Bracewell NTTA Ferrovial / Webber Independent Engineer MCUSA	<ul style="list-style-type: none"> <li>▪ Conformed CDA</li> <li>▪ Direct Agreement with DB Contractor</li> <li>▪ Tolling Services Agreement</li> <li>▪ Independent Engineer Agreement</li> <li>▪ Intellectual Property Escrow Agreement</li> <li>▪ Lease, Memorandum of Lease, and Lease Escrow Agreement</li> <li>▪ Project Trust Agreement</li> <li>▪ Project Trust and Security Instruments</li> <li>▪ Tri-Party Agreement</li> </ul>
<b>Project management documents</b>	TxDOT Nossaman Developer White & Case Ferrovial / Webber	<ul style="list-style-type: none"> <li>▪ Project Management Plan</li> <li>▪ DBE Performance Plan</li> <li>▪ Evidence of license requirements</li> <li>▪ Commitments for payment and performance security</li> </ul>
<b>DB Agreement</b>	Developer White & Case Ferrovial / Webber	<ul style="list-style-type: none"> <li>▪ DB Agreement</li> <li>▪ DB Guarantees</li> </ul>
<b>Developer Closing Deliverables</b>	TxDOT Nossaman Developer White & Case Bracewell	<ul style="list-style-type: none"> <li>▪ Evidence of required insurances</li> <li>▪ Evidence of the approval of the final form of the CDA and due authorization, execution, delivery and performance of the CDA by the Developer</li> <li>▪ Certification regarding NTTA Communications</li> <li>▪ Financial close security</li> </ul>

<b>TxDOT Closing Deliverables</b>	TxDOT Nossaman Developer White & Case Bracewell	<ul style="list-style-type: none"> <li>Legal opinion from counsel to Developer regarding organization / authorization / execution</li> <li>Legal opinion from counsel to Developer regarding qualification to do business / enforceability</li> </ul>
		<ul style="list-style-type: none"> <li>Office of General Council opinion on ability to enter into CDA and Direct Agreement</li> <li>Office of Attorney-General determination opinion that proposed CDA is legally sufficient</li> </ul>

The working groups will be responsible for ensuring the documentation and agreements associated with each working group can be delivered according to a time table to be discussed and agreed at the Commercial Close Co-ordination Meeting. A draft of that time table appears as Table B.37 below.

**Table B.38: Time Table to Commercial Close**

	Days from conditional award	Days to Commercial Close	Date
Commercial Close Co-ordination Meeting	1	59	27-Feb-09
Issue first draft Primary Agreements	6	55	4-Mar-09
Delivery of evidence of authority to transact business in Texas (e.g. Good Standing Certificates), for all members of Developers' team final organization docs for Developer and each Member of Developer	8	53	6-Mar-09
Increase proposal security to \$75m	8	53	6-Mar-09
Comments on first draft Primary Agreements	11	50	9-Mar-09
Meeting on Primary Agreements	15	46	13-Mar-09
Issue second draft Primary Agreements	19	42	17-Mar-09
Issue first draft Project Management Documents	20	41	18-Mar-09
Comments on second draft Primary Agreements (if any)	25	36	23-Mar-09
Comments on first draft Project Management Documents	26	35	24-Mar-09
Second meeting on Primary Agreements (if needed)	29	32	27-Mar-09
Last day for TxDOT to deliver certain agreements and reports to Legislative Budget Board and State Auditor	29	32	27-Mar-09
Meeting on Project Management Documents	32	29	30-Mar-09
Issue third draft Primary Agreements (if required)	33	28	31-Mar-09
Issue draft TxDOT Closing Deliverables	35	26	2-Apr-09
Delivery of second draft Project Management Documents	36	25	3-Apr-09

	Days from conditional award	Days to Commercial Close	Date
Delivery of first draft of Developer Closing Deliverables	39	22	6-Apr-09
Delivery of final form DB contract to TxDOT	41	20	8-Apr-09
Comments on TxDOT Closing Deliverables	41	20	8-Apr-09
Comments on second draft Project Management Documents (if any)	42	19	9-Apr-09
Comments on first draft of Developer Closing Deliverables	46	15	13-Apr-09
Receive final TxDOT Closing Deliverables	47	14	14-Apr-09
Issue final Primary Agreements	49	12	16-Apr-09
Issue final Developer Closing Deliverables	49	12	16-Apr-09
Delivery of final Project Management Documents	50	11	17-Apr-09
Sign off on TxDOT Closing Deliverables	50	11	17-Apr-09
Sign off on Primary Agreements	53	8	20-Apr-09
Sign off on Developer Closing Deliverables	53	8	20-Apr-09
Sign off on Project Management Documents	54	7	21-Apr-09
Delivery of execution copies of the Primary Agreements, Project Management Documents, Developer Closing Deliverables, TxDOT Closing Deliverables and DB Contract	56	5	23-Apr-09
Commercial pre-closing	57	4	24-Apr-09
Commercial close	61	0	28-Apr-09
Final audit report submitted	63	-2	30-Apr-09

## B.6.2 Schedule for Financial Close

Upon conditional award, the Developer intends to reach financial close as quickly as possible, taking into account market conditions and restrictions on the availability of TIFIA budget authority.

An indicative schedule to financial close is outlined in Figure B.12 below:

**Figure B.12: Time Table to Financial Close**

